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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8-65266

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINING JANUARY 1, 2010 AND ENDING DECEMBER 31, 2010
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER DEALER: **THE SONTERRA GROUP, INC.
D/B/A THE DELTA COMPANY**

OFFICIAL USE ONLY

120187

FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

901 NE LOOP 410, SUITE 711

(No. and Street)

SAN ANTONIO

(City)

TEXAS

(State)

78209

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

BRIAN GILROY

210-930-3111

(Area Code - Telephone No.)

B. ACCOUNTANT DESIGNATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

OHAB AND COMPANY, PA

(Name - if individual, state last, first, middle name)

100 E. SYBELIA AVENUE, SUITE 130, MAITLAND

(Address and City)

FLORIDA

(State)

32751

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its Possessions

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual audit be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).


Potential persons who are to respond to the collection of
information contained in this form are required to respond unless
the form displays a current valid OMB control number.

SEC 1410 (06-02)

OATH OR AFFIRMATION

I, BRIAN GILROY, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm or THE SONTERRA GROUP, INC. D/B/A THE DELTA COMPANY, as of December 31, 2010 are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:




BRIAN GILROY
Signature

VICE PRESIDENT/FINOP
Title


Public Notary

This report** contains (check all applicable boxes);

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements under Exhibit A of Rule 15c3-1.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

** For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

THE SONTERRA GROUP, INC.
dba THE DELTA COMPANY

FINANCIAL STATEMENTS

DECEMBER 31, 2010

THE SONTERRA GROUP, INC.
dba THE DELTA COMPANY
FINANCIAL STATEMENTS
For the year ended December 31, 2010

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Ohab and Company, P.A.

Certified Public Accountants

100 East Sybelia Avenue, Suite 130
Maitland, FL 32751

E-Mail: ohabco@earthlink.net

Phone: 407-740-7311
Fax: 407-740-6441

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
The Sonterra Group, Inc. dba The Delta Company
San Antonio, Texas

We have audited the accompanying statements of financial condition of The Sonterra Group, Inc. dba The Delta Company as of December 31, 2010 and the related statements of operations, changes in member's equity, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidenced supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Sonterra Group, Inc. dba The Delta Company as of December 31, 2010 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the schedule presented on pages 8 and 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Ohab and Company, P.A.

Maitland, Florida
February 11, 2011

THE SONTERRA GROUP, INC.
dba THE DELTA COMPANY

STATEMENT OF FINANCIAL CONDITION
December 31, 2010

ASSETS

Assets:

Cash and cash equivalents	\$ 60,920
Certificates of deposit	23,635
Commissions receivable	83,880
Prepaid expenses	28,424
Furniture, fixtures and leasehold improvements (net of accumulated depreciation of \$10,258)	<u>75,857</u>
	<u><u>\$ 272,716</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:

Accrued liabilities	\$ 10,991
Commissions payable	<u>17,600</u>
	<u>28,591</u>

Stockholders' equity:

Common stock, \$0.10 par value; 1,000,000 shares authorized, 15,000 issued and outstanding	1,500
Additional paid-in capital	344,200
Retained earnings	<u>(101,575)</u>
	<u>244,125</u>
	<u><u>\$ 272,716</u></u>

The accompanying notes are an integral part of these financial statements.

THE SONTERRA GROUP, INC.
dba THE DELTA COMPANY
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2010

Revenues:

Commissions	\$ 1,413,147
Interest income	<u>208</u>
Total revenues	<u><u>1,413,355</u></u>

Expenses:

Commission and payroll expense	1,149,900
Insurance	101,758
Professional fees	19,017
Regulatory fees and expenses	53,762
Pension expense	109,453
Other operating expenses	<u>5,296</u>
Total expenses	<u><u>1,439,186</u></u>
Net income (loss)	<u><u>\$ (25,831)</u></u>

The accompanying notes are an integral part of these financial statements.

THE SONTERRA GROUP, INC.
dba THE DELTA COMPANY

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Year Ended December 31, 2010

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Total</u>
Balances, December 31, 2009	\$ 1,500	\$ 243,500	\$ (75,744)	\$ 169,256
Contributions	-	100,700	-	100,700
Net income (loss)	-	-	(25,831)	(25,831)
Balances, December 31, 2010	<u>\$ 1,500</u>	<u>\$ 344,200</u>	<u>\$ (101,575)</u>	<u>\$ 244,125</u>

The accompanying notes are an integral part of these financial statements

THE SONTERRA GROUP, INC.
dba THE DELTA COMPANY
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2010

Cash flows from operating activities:

Net income (loss)	\$ (25,831)
Adjustments to reconcile net income to net cash flows from operating activities:	
Depreciation	2,000
(Increase) decrease in:	
Commissions receivable	(57,117)
Prepaid expenses	(4,688)
Increase (decrease) in:	
Accrued liabilities	8,189
Commissions payable	13,800
Net cash used by operating activities	<u>(63,647)</u>

Cash flows from investing activities:

Additions to certificates of deposit	(208)
Net cash used by investing activities	<u>(208)</u>

Cash flows from financing activities:

Stockholder contributions	100,700
Net cash provided in financing activities	<u>100,700</u>

Net increase in cash and cash equivalents	36,845
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Cash and cash equivalents at beginning of period	<u>24,075</u>
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Cash and cash equivalents at end of period	<u><u>\$ 60,920</u></u>
---	-------------------------

The accompanying notes are an integral part of these financial statements.

**THE SONTERRA GROUP, INC.
dba THE DELTA COMPANY**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2010**

Note 1 – Summary of Significant Accounting Policies

Nature of Business

The Sonterra Group, Inc, dba The Delta Company ("the Company") is a broker-dealer, registered with the Securities Exchange Commission ("SEC"), and a member of the Financial Industry Regulatory Authority ("FINRA"). The Company was formed in January 2002, in the state of Texas.

The Company is retained by Zeppelinn Energy, L.P. for the purpose of marketing of private placement joint ventures formed in Texas for the exploration and production of oil and gas.

Cash and Cash Equivalents

For purposes of reporting the statement of cash flows, the Company considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash balances in excess of FDIC and similar insurance coverage are subject to the usual banking risks associated with funds in excess of those limits. At December 31, 2010, the Company had no uninsured cash balances.

Commission Income

Commission income is recognized when earned under the terms of the offering memorandums for the programs sold. Under these terms commissions are earned when available for distribution from escrow or upon completion of significant events as specified in the offering memorandum.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Company, with the consent of its shareholders' has elected under the Internal Revenue Code to be an S Corporation for both federal and state income tax purposes. In lieu of corporation income taxes, the shareholders of an S Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements.

Fair Value of Financial Instruments

All of the Company's financial assets and liabilities are carried at market value or at amounts, which, because of their short-term nature, approximate current fair value.

**THE SONTERRA GROUP, INC.
dba THE DELTA COMPANY**

**NOTES TO FINANCIAL STATEMENTS
December 31, 2010**

Note 1 – Summary of Significant Accounting Policies (cont.)

Fixed Assets

Fixed assets are recorded at cost. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Estimated useful lives are as follows:

Furniture and Fixtures	7-10 years
Leasehold Improvements	Lesser of 15 years or remaining lease period

Depreciation expense for the year ended December 31, 2010 was \$2,000.

Note 2 – Net Capital Requirements

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital at amount equal to the greater of \$5,000 or 6 2/3% of aggregate indebtedness, and requires that the ratio of aggregate indebtedness to net capital not to exceed 15 to 1.

At December 31, 2010, the Company had excess net capital of \$68,564 and a net capital rate of .389 to 1.

Note 3 – Related Party Transactions

The Company receives commissions from the sale of interests in joint ventures managed by a related party, Zeppelinn Energy, L.P. (Zeppelinn). The Company and Zeppelinn are owned by the same individuals.

Pursuant to the joint venture selling agreements, the Company receives 15% of the sales price per joint venture interest sold. During 2010, the Company earned \$1,413,147 in commissions under these contracts, of which \$83,880 was due from Zeppelinn as of December 31, 2010.

Additionally, Zeppelinn pays for various operating expenses for the Company and provides office facilities at no charge.

Note 4 - Major Customers

All commission income is from the sale of interests in joint ventures managed by Zeppelinn (see Note B).

Note 5 - Retirement Plan

The Company has a 401(k) employees' profit sharing plan covering substantially all of its eligible employees. The Company makes an annual safe harbor contribution to the plan equal to 3% of eligible salaries. The plan also allows for additional contributions at the discretion of the owners, but may not exceed the maximum allowable deduction permitted under the Internal Revenue Code at the time of contribution. The Company contributed \$109,453 to the plan during the year ended December 31, 2010.

THE SONTERRA GROUP, INC.
dba THE DELTA COMPANY
COMPUTATION AND RECONCILIATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
As of December 31, 2010

Computation of basic net capital requirements:

Total member's equity qualified for net capital	\$ 244,125
Deductions:	
Non-allowable assets	
Commissions receivable	66,280
Prepaid expense	28,424
Furniture, fixtures and leasehold improvements	75,857
Total non-allowable assets	<u>170,561</u>
Net capital before haircuts and securities positions	<u>73,564</u>
Haircuts:	
Certificate of deposit	<u>117</u>
Net capital	73,447
Minimum net capital requirements: (Greater of)	
6 2/3% of total aggregate indebtedness (\$28,591)	
Minimum dollar net capital for this broker-dealer (\$5,000)	
Net capital requirement (greater of above two requirements)	<u>\$ 5,000</u>
Excess net capital	<u><u>\$ 68,447</u></u>
Reconciliation with Company's computation (included in Part IIA of Form X-17A-5 as of December 31, 2010)	
Net capital, as reported in Company's Part IIA	
Focus report	81,428
Increase in interest income	208
Increase in accrued liabilities	<u>(8,189)</u>
Net capital, per December 31, 2010 audited report as filed	<u><u>73,447</u></u>

THE SONTERRA GROUP, INC,
dba THE DELTA COMPANY
COMPUTATION OF AGGREGATE INDEBTEDNESS
UNDER RULE 17a-5 OF THE SECURITIES AND EXCHANGE COMMISSION
As of December 31, 2010

Total aggregate indebtedness:

Accrued liabilities	10,991
Commissions payable	<u>17,600</u>
Aggregate indebtedness	<u><u>\$ 28,591</u></u>

**Ratio of aggregate indebtedness
to net capital**

.389 to 1

**THE SONTERRA GROUP, INC.
dba THE DELTA COMPANY**

**INFORMATION RELATING TO EXEMPTIVE PROVISION
REQUIREMENTS UNDER SEC RULE 15c3-3
As of December 31, 2010**

With respect to the Computation for Determination of Reserve Requirements under Rule 15c3-3, the Company qualifies for exemption under subparagraph (K) (2) (i) of the Rule.

With respect to the Information Relating to Possession and Control Requirements under Rule 15c3-3, the Company qualifies for exemption under subparagraph (K) (2) (i) of the Rule.

Ohab and Company, P.A.

Certified Public Accountants

100 East Sybelia Avenue, Suite 130
Maitland, FL 32751

E-Mail: ohabco@earthlink.net

Phone: 407-740-7311
Fax: 407-740-6441

REPORT ON INTERNAL CONTROL STRUCTURE REQUIRED BY SEC RULE 17a-5 FOR A BROKER-DEALER CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3

To the Board of Directors and Stockholders of
The Sonterra Group, Inc. dba The Delta Company
San Antonio, Texas

In planning and performing our audit of the financial statements of The Sonterra Group, Inc. dba The Delta Company (the Company) as of and for the year ended December 31, 2010 in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications and comparisons and recordation of differences required by rule 17a-13.
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's previously mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of the internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined previously.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2010 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Ort and Company, PC

Maitland, Florida
February 11, 2011

Ohab and Company, P.A.

100 E. Sybelia Ave. Ste. 130
Maitland, FL 32751

Certified Public Accountants
E-Mail: ohabco@earthlink.net

Phone 407-740-7311
Fax 407-740-6441

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors and Stockholders of
The Sonterra Group, Inc. dba The Delta Company
901 NE Loop 410, Suite 711
San Antonio, TX 78209

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [General Assessment Reconciliation (Form SIPC-7T)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2010, which were agreed to by The Sonterra Group, Inc. dba The Delta Company and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating The Sonterra Group, Inc. dba The Delta Company compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7T). The Sonterra Group, Inc. dba The Delta Company's management is responsible for The Sonterra Group, Inc. dba The Delta Company's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7T with respective cash disbursement records entries, noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2010, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2010 noting no differences;
3. There were no adjustments reported in Form SIPC-7T.
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7T and in the related schedules and working papers in the respective cash disbursements record entries recorded in the QuickBooks 2010, software system, supporting there were no adjustments, noting no differences.
5. Compared the amount of any overpayment applied with the Form SIPC-7 on which it was computed. There was no overpayment noted.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Olar and Company, P.A.

February 11, 2011

SIPC-7

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION

P.O. Box 92185 Washington, D.C. 20090-2185

202-371-8300

General Assessment Reconciliation**SIPC-7**

(33-REV 7/10)

For the fiscal year ended 12/31, 20 10

(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

065266 FINRA DEC
 THE SONTERRA GROUP INC 19*19
 THE DELTA COMPANY
 901 NE LOOP 410 STE 711
 SAN ANTONIO TX 78209-1306

Note: If any of the information shown on the mailing label
 requires correction, please e-mail any corrections to
 form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact
 respecting this form.

Roger Fester (210) 930-3111

2. A. General Assessment (item 2e from page 2)

B. Less payment made with SIPC-6 filed (exclude interest)

Date Paid

C. Less prior overpayment applied

D. Assessment balance due or (overpayment)

E. Interest computed on late payment (see instruction E) for 365 days at 20% per annum

F. Total assessment balance and interest due (or overpayment carried forward)

G. PAID WITH THIS FORM:

Check enclosed, payable to SIPC
 Total (must be same as F above)

H. Overpayment carried forward

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number).

The SIPC member submitting this form and the
 person by whom it is executed represent thereby
 that all information contained herein is true, correct
 and complete.

Dated the _____ day of _____, 20____

The Delta Company
 (Name of Corporation, Partnership or other Organization)
[Signature]
 (Authorized Signature)
President
 (Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form
 for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates:

Postmarked

Received

Reviewed

Calculations

Documentation

Forward Copy

Exceptions:

Disposition of exceptions:

DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT

Amounts for the fiscal period
beginning 1/1, 2010
and ending 12/31, 2010
Eliminate cents

Item No.

2a. Total Revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 1,413,147-

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.
(See Instruction C):

Sale Solely of Joint Ventures Interests
(see attached offering summaries)

1,413,147-

- (9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ _____

- (ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ _____

Enter the greater of line (i) or (ii)

Total deductions

1,413,147-

2d. SIPC Net Operating Revenues

\$ -0-

2e. General Assessment @ .0025

\$ 150.00

(to page 1, line 2.A.)